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313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213)240-8101
Fax: (213) 481-0503

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April 30, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE ACQUISITION OF A DIRECT DIGITAL X-RAY SYSTEM
FOR THE SOUTH VALLEY HEALTH CENTER
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)**

SUBJECT

Authorize the purchase of a replacement direct digital x-ray system for the Department of Health Services at South Valley Health Center.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the acquisition of a replacement direct digital x-ray system at the South Valley Health Center (SVHC), for the Department of Health Services (DHS) with an estimated acquisition cost of \$278,020, because it exceeds the \$250,000 capital asset threshold established by the Board.
2. Find that the project is exempt from the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In approving the recommended actions, the Board is authorizing the purchase and installation of a replacement direct digital x-ray system at SVHC. The new x-ray equipment is essential to the provision of urgent care, primary care clinic, pediatrics clinic and six surgical specialty clinics which include orthopedics and podiatry at the SVHC, as it will provide higher image quality, enhanced diagnostic capacity, and improve the reliability of x-ray services.

The existing analog x-ray equipment requires a Computed Radiography reader to convert the analog image to a digital image, making it slower than a direct digital x-ray system. In addition, Phillips Healthcare, the current DHS contractor for maintenance and repair of radiology equipment, has issued an end-of-life ("EOL") letter for this equipment. The EOL letter indicates that Phillips Healthcare is ending support for the existing analog x-ray equipment, and has advised DHS to replace the system as soon as possible to avoid interruptions in services, especially if parts are no longer available. There is only one x-ray machine at SVHC and if the machine is out-of-service, x-rays cannot be obtained on-site for urgent care patients. This compromises the ability of the clinic to diagnose and treat urgent care patients.

On October 16, 2011, the Board adopted a policy whereby departments must obtain Board approval to purchase or finance equipment with a unit or system cost of \$250,000 or greater prior to submitting the requisitions to the Purchasing Agent. The equipment exceeds \$250,000, the established threshold for capital asset purchases, and requires the Board's approval to move forward with the acquisition process.

Implementation of Strategic Plan Goals

The recommended action will support Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated acquisition cost of the equipment is \$278,020, and will be purchased through the Los Angeles County Capital Asset Leasing Corporation (LAC-CAL). New LAC-CAL lease payments are calculated for a six-month period.

Funding for the Fiscal Year (FY) 2012-13 lease purchase costs are estimated at \$33,457 and is included in the FY 2012-13 Final Budget. The projected LAC-CAL costs for the remaining years of financing will be requested in the future FYs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The replacement direct digital x-ray system is needed to improve the reliability of x-ray services at the DHS SVHC.

CONTRACTING PROCESS

The acquisition of this equipment is under the statutory authority of the County Purchasing Agent

and will be accomplished in accordance with County Purchasing Policies and Procedures established by ISD.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The acquisition and installation of the replacement direct digital x-ray system will ensure the continued support to the urgent care, primary care, pediatrics, and specialty clinics located at SVHC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" and the last name "Katz" clearly distinguishable.

Mitchell H. Katz, M.D.
Director

MHK:rg

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department